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December 29, 2003

Chairman Marc Spitzer Commissioner Jeff Hatch-Miller Commissioner Mike Gleason Commissioner Kristin K. Mayes

Re: APS Application for Declaratory Order regarding Bill Estimation

Procedures; Docket No. E-01345A-03-0775

Dear Colleagues:

After reviewing Arizona Public Service Company's ("APS") Application for Declaratory Order regarding Bill Estimation Procedures in Docket E-01345A-03-0775, I have several concerns. I believe the Application raises issues related to APS' compliance with the Commission's bill estimation rules, not only in this administrative proceeding, but potentially in Superior Court class action litigation in which APS is a defendant.

It appears to me that the administrative issues in this docket should be analyzed in the context of the present pending APS rate case in a manner similar to a tariff filing. It is therefore my suggestion that this docket be consolidated with the pending APS rate case, Docket No. E-01345A-03-0437. As for the Superior Court litigation, the Commission may want to consider some form of intervention to ensure the Commission's position is appropriately before the Court.

Sincerely,

William A. Mundell, Commissioner Arizona Corporation Commission

cc: Brian McNeil, Executive Secretary

Lyn Farmer, Hearing Division

Docket Control